## REMARKS

In the outstanding Official Action, the Examiner:

- (1) rejected claims 1-10 under 35 USC 101 because the claimed invention is directed to non-statutory subject matter; and
- (2) rejected claims 1-10 under 35 USC 102(e) as being anticipated by Fogel et al. (U.S. Patent No. 7,025,675) ("Fogel").

In response to Item 1 above, Applicants have amended claims 3-6 and 8-10 so that the claims are now directed to a system for presenting a virtual world to a user. Applicants believe that these amendments are sufficient to overcome the 101 rejection.

In response to Item 2 above, Applicants respectfully disagree with the Examiner's rejections, however, Applicants have canceled claims 1, 2 and 7 and amended claims 8 and 9 in order to more clearly define the present invention and distinguish it from the prior art.

More particularly, Applicants have amended claim 8 so that it is clear that the blackboard data structure (i) acts as a repository for selected pieces of data associated with that virtual character's behavior state, emotion state and learning state and (ii) permits other virtual characters to access those selected pieces of data associated with that virtual character's behavior state, emotion state and learning state in order to enrich the level of interaction between the characters.

The blackboard feature of the present invention functions in much the same way as facial expressions do in the real world. By way of example, a smile may indicate to another human that a person is happy, however, we are not able to see into the person's mind to know if that person truly is happy. Similarly,

the blackboard feature permits selected aspects of a first virtual character's behavior state, emotion state and learning state to be displayed to a second virtual character, but it does not allow the second virtual character to see all of the aspects of the first virtual character's behavior state, emotion state and learning state. By exposing some, but not all, of the aspects of a virtual character's behavior state, emotion state and learning state to another virtual character, a degree of uncertainty and mystery is introduced and a greatly enriched level of interaction is established between the characters. Applicants do not believe that this feature is anticipated or rendered obvious by Fogel.

Applicants have amended claim 9 so that it is clear that the audio-visual component controls the animated engine. More particularly, the audio engine of the present invention is configured so that it may, among other things, motivate a character's actions or emotions. In this way, the audio-video engine may be used to produce compelling emotional interactions with the audience, rather than function merely as background music for the system. Applicants do not believe that this feature is anticipated or rendered obvious by Fogel.

In view of the foregoing, Applicants believe that claims 8 and 9 are now in condition for allowance.

Claims 3-6 have been amended so that these claims now depend from claim 8. Accordingly, claims 3-6 are believed to be allowable, at least through dependency.

Claim 10 directly depends from claim 9 and is also believed to be allowable, at least through dependency.

Accordingly, this patent application is believed to be in

condition for allowance. Allowance thereof is respectfully requested.

In the event that any fees may be required in this matter, please charge the same to Deposit Account No. 16-0221.

Thank you.

Respectfully submitted,

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